



Delinquent Management Holds

Delinquent Loan Management Holds
PS_DELQLN_MGMTHOLD
Application 14335
Extension ID: 21eadd9e-d74a-4dbc-adc9-b33557d36747

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Overview:

This application assigns management holds to deposit accounts where an individual has a specific role relationship and one or more of their loan accounts has been delinquent beyond a specified number of days. When the loan is no longer delinquent, the application releases the hold from the deposit account(s). Runtime parameters define which accounts are eligible for processing based on product type, related account roles and minimum number of days delinquent. In case of partial payments, the application will release the existing hold amount and apply the new hold equal to the amount that is due.

Key Benefits:

This application can help with collections recovery efforts by holding deposit funds in related accounts for customers with delinquent loans.

Processing:

A loan will be considered delinquent if it meets the following criteria:

- It must have an 'ACT – Active' or 'NPFM - Non-Accrual' status.
- The current principal balance must be greater than zero.
- The number of days between the Effective Date parameter (EFF) and the current due date of the account is greater or equal to the number of days specified by the Minimum Delinquent Days (8DLQ) parameter. The batch will also consider the Grace Days if the Grace Days (GRCE) parameter is set to 'Y'. For example if the value of the 'EFF' parameter is '03-20-2009' and value of the '8LDQ' parameter is 30, then the delinquent date will be 02-18-2009 if the 'GRCE' parameter is set to 'N' and '02-03-2009' if it is set to 'Y'. The batch program will pick the number of grace days that are set at the account level.

If there are multiple loans that meet the above criteria the application will process each loan account in ascending order by past due balance. For example, the loan with the lowest past-due balance would be processed first, then the next lowest and so on.

Management holds will be applied to deposit accounts that meet the following criteria:

- Account must have a Major Code that is included in the Major Code – (MJCD) parameter.
- Account must have a Minor Code that is included in the Minor Code (MICD) parameter.
- The account status is not equal to 'Closed' (CLS) or Closed with Balances Remaining (CWB).
- The current available balance of the account must be greater than zero, or the "Management Hold Processing" parameter is set to 1, allowing negative shares to be included.
- The Account User Field '8EDP - Exempt Delinquent Process' does not exist or is set to 'N'.

For all loan accounts meeting the above criteria:

- The batch program will apply the Management Hold against the member's deposit accounts for the past-due loan balance as described below.
- The batch program will also create a new Account Note that will be associated with the Management Hold. It will link this Account Note to a particular Management Hold with the delinquent loan account. The Account Note will be populated as follows:
Class = NOTE - Note
SubClass = 8DLQ - Delinquent Loan Hold
InactiveDate = <blank/null>
NoteText = Custom Application Hold – Account Number: 9999999 Amount \$9,999.99 Date: 01-01-2009

If there are multiple deposit accounts that are eligible to receive a hold, the application will apply Management Holds to each account in descending order by available balance until the entire past-due loan balance has been satisfied or all eligible deposit accounts are exhausted. For example, deposit account with the largest available balance would be processed first, then the next largest and so on. This behavior can be modified by the "Management Hold Processing" parameter:

- If set to 1, only share accounts will be considered, and the entire balance applied to the first share account, even if the available balance is less than the hold amount.
- If set to 2, share accounts will have priority over non-share accounts, and the hold amount will be spread out over multiple accounts until the full hold amount is satisfied.
- Is set to 3, no special treatment will be used for share accounts.

"Roles to Include" – This parameter is used to define specific role codes used to identify which deposit accounts are eligible for management hold processing. The process identifies all deposit accounts where the person or persons assigned to the loan account have a role relationship on the deposit account as define by the parameter value(s). The application will process these codes in the same order as entered in the parameter.

Note: The application will consider only consider the role codes if the tax owner listed on the delinquent loan account does not have sufficient funds in their deposit account(s) to cover the delinquent balance. In addition, processing will end for an account once the amount of management holds equals the delinquent loan balance or no additional valid deposit accounts exist.

If a delinquent loan has multiple persons assigned for a particular role, the application will process all the accounts belonging to those persons in descending order by available balance.

The application will consider existing active Collateral Holds associated with a delinquent loan account. For example, if a loan account has a delinquent balance of \$5,400.00, but there is an active Collateral Hold for \$5,000.00, then only the \$400.00 amount in excess of the Collateral Hold will be eligible for a Management Hold.

If a member makes a payment on a delinquent loan account, but there is still a past-due amount, the application will inactivate the Management Holds associated with the loan

account along with the Account Notes associated with the Management Holds and create a new Management Hold and the Account Note for the new balance.

Once the loan is no longer delinquent, the application will inactivate the Management Holds and Account Notes. To inactivate a Management Hold manually, access the Hold Management screen using the following navigation.

- Services (slide out panel) > Relationship (module) > Maintenance (menu) > Deposit Accounts (menu item) > Deposit Account Maintenance (form 24114) > Maintenance (menu) > Holds (menu item) > Hold Management (form 24045).
- Add a note to the Management Hold containing the text "Manually Release". This step is required before completing the standard Core processing used to inactivate a Management Hold. The presence of the note will stop the application from reapplying the Management Hold on subsequent runs.
- If the delinquent loan account has management holds places on multiple deposit accounts, the user must manually inactivate all management holds on the loan side as well as add a note for each, containing the text "Manually Release". With the required steps completed, the job will inactivate all the management holds on loan. With each management hold manually released and a note added with the text. 'Manually Release', the application will not attempt to reapply holds.

If the '8SLA- Stop Loan Advances Y/N' parameter is set to 'Y', the credit limit will be set to zero for all loans with the same tax owner as the delinquent loan account. Removing the management holds, (either manually, or by the application) will restore the credit limits.

The application will not modify the loan limit of accounts owned by members related to the delinquent account by the roles specified in the ROLI parameter.

Accounts with the '8EDP - Exempt Delinquent Processing' Account User Field set to 'Y' will be exempt from processing.

Management Holds created by this application will use the new Account Management Hold code '8DLA -Delinquent Loan Account'.

The application supports DNA® account and product Exclude Applications functionality.

Parameters:

Parameter	Code	Description	Required	Default
Major Account Type Code	MJCD	Comma delimited list of Major Account Codes.	No	CK,SAV
Minor Account Type Code	MICD	Comma delimited list of Minor Account Codes. If left blank, all minors will be included.	No	<BLANK>
Minimum Delinquent Days	8DLQ	Minimum number of delinquent days for qualified loan	No	30

Parameter	Code	Description	Required	Default
Effective Date	EFF	Effective Date to use for determining loan delinquency. If left blank, the Queue Effective Date will be used.	No	<BLANK>
Use Grace Days	GRCE	Flag to indicate whether the number of grace days should be considered in determining the loan delinquency or not. If left blank, Y will be used.	No	Y
Report Only Y/N	RPT	Y – Generates a report. Does NOT update the accounts. N – Generates a report. Updates the accounts. If left blank, Y will be used.	No	Y
Roles to Include	ROLI	Comma-delimited list of account-roles to use when searching for deposit accounts to apply the managements holds. If left blank, OWN, SIGN, and GUAR will be used.	No	OWN,SIGN,GUAR
Stop Loan Advances Y/N	8SLA	When this parameter is set to “Yes”, (Y) the application will reduce the loan limit to zero on all loan accounts owned by the tax owner of the original delinquent account. If left blank, N will be used.	No	N

Parameter	Code	Description	Required	Default
Management Hold Processing	8MHP	<p>This parameter will provide the financial institution with options to hold funds against deposit share accounts.</p> <p>1 – Share Account Only (Full Amount)</p> <p>If option 1 is selected the full delinquency amount will be held against the first eligible deposit share account, whether or not the funds are available on that account.</p> <p>2 – Share Account Priority (Available Balance)</p> <p>If option '2' is selected the hold will be placed up to the available amount in the member's share account and the application will try to locate additional deposit accounts based upon the other parameters and selection criteria for any remaining amount to be held.</p> <p>3 – Standard Account Priority (Available Balance)</p> <p>If option '3' the application will try to locate deposit accounts based upon the other parameters and selection criteria for funds to be held against. Deposit share accounts will not receive any special handling.</p> <p>4 – Hold Entire Amount (Hold All)</p> <p>If Option '4' is selected, the application will hold the outstanding loan payment amount due on every checking and savings account based on the Major and Minor code parameter values.</p> <p>If left blank, 3 will be used.</p>	NO	3

This application updates activity, using the following Activity Category and Activity Type:

Category: AMNT - Account Maintenance

Type: 8DLH - Cust Delinquent Loan Mgmt Hold

Report(s):

This application will generate the following reports:

PS_DELQLN_MGMTHOLD.LIS

Bank: OSI Financial Institution		Delinquent Loan Mgmt. Holds				Run Date: 09-30-2009			
Report: PS_DELQLN_MGMTHOLD						Post Date: 09-30-2009			
						Page: 1 of 1			
Member Name	Hold Acct #	Hold Account Owner	Available Balance	Amount Mgmt. Hold	Delinquent Loan #	Active Coll Holds	Delq Days	Del Loan Balance	Act
Charles F. Gayle	8340043623	Charles F. Gayle	9,510.55	43.00	8340045786	0.00	49	43.00	Upd
Evan G. Parker	8340044332	Evan G. Parker	31,301.79	1,389.57	8340045687	0.00	49	1,389.57	Add
Jan G. Allan	8340043110	Jan G. Allan	16,927.11	112.50	8340045736	0.00	18	0.00	Rem
Johnny G. Hodges	8340045439	Johnny G. Hodges	1,650.00	87.50	8340045637	0.00	49	87.50	Add
Lee G. Konitz IV	8340045893	Lee G. Konitz IV	3,700.00	87.50	8340045918	0.00	49	232.50	Man
Delinquent Loan Accounts Processed: 5									

PS_DELQLN_MGMTHOLD_1.LIS

Bank: OSI Financial Institution		Delinquent Loan Mgmt. Holds		Run Date: 09-30-2009
Report: PS_DELQLN_MGMTHOLD				Post Date: 09-30-2009
				Page: 1 of 1
Tax Owner	Delinquent	Current	Previous	Current
Name	Loan #	Balance	Credit Limit	Credit Limit
Jan G. Allan	8340045736	11,212.24	0.00	19,650.00
Charles F. Gayle	8340043657	5,041.63	25,000.00	0.00
Charles F. Gayle	8340043649	6,692.52	25,000.00	0.00
Charles F. Gayle	8340043673	5,200.00	25,000.00	0.00
Charles F. Gayle	8340044671	165,000.00	165,000.00	0.00
Charles F. Gayle	8340043722	350.00	25,000.00	0.00
Evan G. Parker	8340044374	243.85	2,375.00	0.00
Evan G. Parker	8340045835	4,950.00	13,250.00	0.00
Evan G. Parker	8340044647	165,000.00	165,000.00	0.00
Johnny G. Hodges	8340045538	7,800.00	15,000.00	0.00
Johnny G. Hodges	8340045637	8,750.00	21,300.00	0.00
Johnny G. Hodges	8340045588	7,813.55	21,250.00	0.00
Lee G. Konitz IV	8340045918	23,250.00	0.00	37,650.00
Lee G. Konitz IV	8340045900	8,734.53	0.00	17,445.00
Total Credit Limit Changes: 14				

Exceptions:

Condition	Exception Messages
The "Management Hold Processing" parameter is set to 1 and the application cannot identify a valid share account associated with the loan.	No Share Account Found

Configuration Checklist:

Item	Test Environment	Production Environment
Parameters		

Installation:

Note: If you obtained this application from the DNAappstore, please disregard the installation instructions below. If you did not obtain this application from the DNAappstore, please complete the installation instructions below.

- Copy **PS_DELQLN_MGMTHOLD.SQT** to the Batch Process to the PS batch application directory; this is typically G:\OSI\BANK\BAT_EXE\PS (or the location specified in the PS Batch Report Directory 'BATP' Institution Option).
- This application requires the running of the script **PS_DELQLN_MGMTHOLD.SQL** (Setup Script): Copy this file to any directory accessible to the applicable SQL application (SQL Developer, PL/SQL Developer, etc.) You need to run the setup script to register the application.
- This application requires an Authorization Key. After the primary installation instructions have been completed, you must apply the supplied Authorization Key for this application.

To enter the Authorization Key, go to Services >> System >> Institution >> Applications >> Application Manager.

Revisions:

Date	Version	Change
08/2020	1.1.1.1	Changed label to Fiserv Confidential
09/2019	1.1.1.1	Fix setup script issue for parameter 8MHP
03/2019	1.1.1.0	Additional activity writes
05/2018	1.1.0.0	Optimization
02/2018		Documentation update - Added Fiserv Confidential Label
1/2018	N/A	Processing option (4 - Hold Entire Amount (Hold All)) added for parameter '8MHP - Management Hold Processing'.
6/2015	N/A	Added 8MHP parameter.
4/2015	N/A	Documentation format update
9/2009	N/A	Application enhanced to set credit limit to zero for delinquent loans
1/2009	N/A	Application enhanced to have capability to apply holds to multiple accounts
2/2007	N/A	Application Created